

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

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In re:	:	
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THE FINANCIAL OVERSIGHT AND	:	PROMESA
MANAGEMENT BOARD FOR PUERTO RICO,	:	Title III
	:	
as representative of	:	Case No. 17-BK-3283 (LTS)
	:	
THE COMMONWEALTH OF PUERTO RICO <i>et al.</i> ,	:	(Jointly Administered)
	:	
Debtors. ¹	:	
	X	

ORDER ALLOWING MOTION TO CONTINUE

This matter is before the Court on the *Urgent Motion of Financial Oversight and Management Board, Acting Through Its Special Claims Committee, and Official Committee of Unsecured Creditors Under Bankruptcy Code Sections 105(a) and 502 and Bankruptcy Rule 3007, to (I) Continue Hearing on Motion to Establish Claims Objection Procedures and (II) Extend Related Deadlines with Respect to Omnibus Objection to Claims of Holders of Certain Commonwealth General Obligation Bonds* (Dkt. No. 7528) (“Motion to Continue”). Therein, the Financial

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Oversight and Management Board for the Commonwealth of Puerto Rico, acting through its Special Claims Committee (“Oversight Board”) and the Official Committee of Unsecured Creditors (“Committee”) seek to continue the hearing set for June 28, 2019 on the Amended Procedures Motion², extend the deadline for filing reply briefs in connection with the Amended Procedures Motion, and extend certain deadlines related to litigation of the underlying GO Objections. Specifically, the Oversight Board and the Committee “request that the hearing on the Amended Procedures Motion be adjourned to July 24, 2019, that the deadline for filing reply briefs in support of the Amended Procedures Motion be extended to July 17, 2019, and that all deadlines related to the Objections Procedures should be likewise tolled until such a time sufficiently after the Court has ruled on the Stay Motion.” (Motion to Continue ¶ 5). On June 25, 2019, this Court denied the request to extend the deadline for reply briefs and set a briefing schedule for the Motion to Continue. (Dkt. No. 7539). In accordance with that Order, the Oversight Board and the Committee filed their reply (Dkt. No. 7583) and interested parties filed responses to the Motion to Continue as addressed herein.

The Oversight Board and the Committee request that the hearing on the Amended Procedures Motion be continued to July 24, 2019 so that it can be heard in connection with the *Motion to Stay Contested Matters Pending Confirmation of Commonwealth Plan of Adjustment* (Dkt. No. 7640) (“Stay Motion”), which seeks to stay litigation of the underlying GO Objections.³

² All capitalized terms not defined herein shall have the meaning ascribed to them in the Motion to Continue.

³ The Stay Motion was filed on June 25, 2019 after briefing on the Motion to Continue had concluded. The Oversight Board requests that it be heard on July 24, 2019, but no hearing date has been officially scheduled by the Court.

Through the Stay Motion, the Oversight Board seeks to stay the GO Objections litigation in light of a proposed plan of adjustment to be filed for the Commonwealth, as evidenced in a recently publicized plan support agreement (“Plan Support Agreement”). (Motion to Continue ¶ 1). The Committee, while supporting the Motion to Continue, has represented that it will oppose the Stay Motion. (Id. ¶ 4).

The Court received several responses to the Motion to Continue, which make clear that while the Stay Motion and the Plan Support Agreement are highly contested, a continuance of the hearing on the Amended Procedures Motion is warranted. For example, while the Ad Hoc Group of General Obligation Bondholders filed a response vehemently opposing both the Plan Support Agreement and the Stay Motion, it nevertheless “agrees that the adjournment sought in the [Motion to Continue] is appropriate.” (Dkt. No. 7619 ¶ 5). Similarly, while the Ad Hoc Group of Constitutional Debt Holders, Assured Guaranty Corp., Assured Guaranty Municipal Corp. and Peter Hein object to the delay created by the continuance, their primary objections are to the impact of the Stay Motion and the forthcoming proposed plan of adjustment. (See Dkt. No. 7608 and Hein Objection).

It appears that the Stay Motion will be highly contested and that the Court’s ruling thereon will inform what procedures need to be put in place for the efficient litigation of the GO Objections. Thus, continuing the hearing on the Amended Procedures Motion will allow for the Court to set appropriate procedures once the issues presented by the Stay Motion and any filed plan of adjustment are fully framed. Further, a continuance will allow each impacted party, on proper notice, to focus on and participate in argument of the Stay Motion.

Thus, the hearing on the Amended Procedures Motion is continued to the date of the hearing to be set for the Stay Motion. The Court has received full briefing on the Amended Procedures Motion, and no supplemental briefing shall be required prior to the hearing. Should any party wish to submit additional briefing prior to the hearing, they may request permission from the Court to do so. The deadlines set by this Court in previous orders related to the GO Objection procedures are hereby tolled pending resolution of the Amended Procedures Motion. (See Dkt. Nos. 5143, 6828, 6988, and 7153).

This Order resolves Dkt. No. 7528.

SO ORDERED.

/s/ Judith Gail Dein

Judith Gail Dein

United States Magistrate Judge

DATED: June 26, 2019